



ADVANCED PAYMENTS INFORMATION & REQUEST

Sponsors of Day Care Homes participating in the Child and Adult Care Food Program may request an Advanced Payment for administrative costs.

ADVANCED PAYMENT means financial assistance made available to an Institution for its CACFP costs prior to the month in which such costs will be incurred.

Advanced Payments will provide funds to Institutions at the beginning of the Agreement period for the FFY (federal fiscal year) beginning Oct. 1st. Advance balances will be deducted from claim(s) at the end of the FFY (Sept. 30th), or reduced over the course of the FFY if monthly claim reimbursement is not sufficient to repay the advance in any given month.

Federal Regulations 7 CFR 226.10 state in part:

(a) By the first day of each month of operation, the State agency shall provide an advance payment to each institution electing to receive such payments, in accordance with 7CFR 226.6 (b) (10). Advance payments shall equal the full level of claims estimated by the State agency to be submitted in accordance with paragraph (c) of this section, considering prior reimbursement claims and other information such as fluctuations in enrollment. The institution may decline to receive all or any part of the advance.

(b) For each fiscal year, the amount of payment made, including funds advanced to an institution shall not exceed the amount of valid reimbursement claimed by that institution. To ensure that institutions do not receive excessive advance payments, the State agency shall observe the following procedures:

(3) Each month the State agency shall compare incoming claims against advances to ensure that the level of funds authorized under paragraph (a) of this section, does not exceed the claims for reimbursement received from the institution. Whenever this process indicates that excessive advances have been authorized, the State agency shall either demand full repayment or adjust subsequent payments, including advances.

ADJUSTMENT OF ADVANCES: If monthly reimbursement falls below the amount of the Advance, a downward adjustment may be made in payment of the monthly claim(s) for reimbursement.

AMOUNT OF ADVANCE: The advance amount allowed may not exceed the average of the three prior months', (July, August, September) claims for reimbursement.

Please justify the request for an advance below and illustrate how you determined the requested amount. If an advance is not requested, please circle NO below and sign this document.

Advance Requested? (Please circle.) YES NO Advance Amount Requested: \$ _____

Signature of Authorized Representative: _____ Date: _____

Name of Sponsoring Organization: _____

State agency use: Advance Amount Approved: \$ _____

State agency signature: _____ Date: _____